

Leading businesses urge the European Commission to preserve the timeline, integrity and ambition of the CSRD and ESRS Set 1

16 May 2023

To:

Ms. Ursula von der Leyen, President of the European Commission
Ms. Mairead McGuinness, Commissioner for Financial Services, Financial Stability and Capital Markets Union

Cc:

Mr. Valdis Dombrovskis, Executive Vice-President for an Economy that Works for People
Mr. Frans Timmermans, Executive Vice-President for the European Green Deal
Mr. Virginijus Sinkevičius, Commissioner for Environment, Oceans and Fisheries
Mr. Didier Reynders, Commissioner for Justice
Mr. Pascal Durand, MEP, Rapporteur on the Corporate Sustainability Reporting Directive
Mr. John Berrigan, Director-General, DG Financial Services, Financial Stability and Capital Markets Union
Ms. Florika Fink-Hooijer, Director-General, DG Environment
Mr. Kurt Vandenberghe, Director-General, DG Climate Action
Ms. Kerstin Jorna, Director-General, DG Internal Market, Industry, Entrepreneurship and SMEs
Mr. Koen Doens, Director-General, DG International Partnerships
Mr. Sven Gentner, Head of Unit Corporate reporting, audit and credit rating agencies, DG Financial Services, Financial Stability and Capital Markets Union
Mr Jorge Rodriguez Romero, Head of Unit, Green Diplomacy and Multilateralism, DG Environment
Ms. Pilar Gutiérrez, Head of Unit Reporting and Transparency, European Banking Authority
Ms. Sandra Hack, Principal Expert on Policy, European Insurance and Occupational Pensions Authority
Mr. Alessandro d'Eri, Senior Policy Officer, European Securities and Markets Authority

Dear President von der Leyen and Commissioner McGuinness,

We are writing to call on the European Commission to maintain the timeline, integrity and ambition of the implementation of the Corporate Sustainability Reporting Directive (CSRD) and corresponding European Sustainability Reporting Standards (ESRS) Set 1.

The European Union demonstrated pioneering leadership in Montreal at the UN Convention on Biological Diversity COP15, significantly contributing to the adoption of an ambitious Global Biodiversity Framework. For the first time in the history of the UN Convention on Biological Diversity, governments sent a strong signal to the business and finance community, incentivizing them to prepare now for upcoming regulations – particularly on the assessment and disclosure of nature.

Target 15 of the Framework has been described by many as potentially one of the most transformative, as governments have committed to requiring all large businesses and financial institutions to assess and disclose their risks, impacts, and dependencies on nature, through their operations, supply and value chains, and portfolios. Such an ambitious outcome was achieved because of the support from leaders such as the EU and reinforced by more than [400 companies, with combined revenues of \\$2 trillion calling to make assessment and disclosure on nature mandatory](#).

Requirements to assess and disclose nature risks, impacts and dependencies will help create fairer competition for business, increase accountability, engage investors, empower consumers, help ensure the rights of indigenous peoples and local communities, and ultimately accelerate the transformation of our economies towards a nature positive future. Reporting is not the end goal, but a necessary step that leads to meaningful action by businesses and financial institutions. The EU played a central role in governments agreeing to adopt such a forward-thinking target that explicitly articulates the role of business and finance.

As a result, you are now seen by many other countries as the model to follow, providing a clear plan for companies to prepare for. Through the CSRD, the EU would provide a major contribution globally towards fulfilling Target 15 as over 10,000 non-EU firms fall within scope of the Directive¹. The implementation of the standards will provide access to comparable data and create transparency on corporate environmental performance.

This is why we are adding our voice to many others to **call on the European Commission to maintain the timeline, integrity and ambition of the CSRD by:**

1. **Adopting the European Financial Reporting Advisory Group (EFRAG) standards in their entirety**
2. **Not delaying the application date for any standards**

Failing to do so would send a counterproductive signal that would discourage the business community from taking urgent action on nature. In addition, it would contribute to slowing down the transformative change we so desperately need to reverse nature loss and keep global warming below 1.5 degrees. The EU was the leading voice in Montreal on Target 15. Back-tracking now will jeopardize its successful implementation as countries around the world are monitoring and, in many cases, following EU policies.

EFRAG has made extensive progress to produce revised standards that are simpler, more concise and better aligned with international standards and frameworks. The EFRAG standards will contribute to the International Sustainability Standards Board (ISSB)'s reporting standards, which are expected to incorporate natural ecosystems, deforestation, water, and biodiversity, building on TNFD's guidance and other existing nature-related standards and disclosures. The ISSB also references the use of other standards like the ESRS in the absence of ISSB-standards².

While reporting in line with the ESRS will bring challenges, ignoring the biodiversity crisis and the fundamental impacts and dependencies businesses have on nature and continuing business-as-usual will bring much greater challenges and costs. The EU cannot only be focused on short-term gains, at the risk of destroying economic value over the medium and long term.

We call on the EU to lead the way and transform our economic systems to reward positive actions on nature. And we stand with you to provide the support and confidence needed for practical, aligned and interoperable standards that will enable the swift implementation of Target 15.

We thank you for your consideration and leadership and remain available for further discussions.

Yours sincerely,

¹ <https://www.wsj.com/articles/at-least-10-000-foreign-companies-to-be-hit-by-eu-sustainability-rules-307a1406>

² <https://www.ifrs.org/news-and-events/updates/issb/2023/issb-update-february-2023/>

Sylvain Boucherand, CEO, BL évolution

Pauline de Saint Front, President, Cabinet de Saint Front

Laura Palmeiro, Head of Sustainable Finance, Danone

Gérard Schoun, President, Destination 26000

Magali Anderson, Chief Sustainability and Innovation Officer, Holcim

Denis Geffroy, Public Affairs and Advocacy Director, L'OCCITANE Group

Charlie Angelakos, Vice President, Global External Affairs and Sustainability, McCain Foods

Marcelo Behar, VP Sustainability & Group Affairs, Natura&Co

Colleen Corrigan, Senior Advisor, Pure Strategies

André Hoffmann, Vice-Chairman of the Board, Roche Holding Ltd

Pierre Yves Burlot, Sustainable development director, Séché Environnement

Tim Christophersen, VP, Climate Action, Salesforce

Hentie Dirker, Chief ESG and Integrity Officer, SNC Lavalin

Raquel Seabra, Executive Director, Sogrape

Narayan PS, Vice President and Head Sustainability, Wipro Ltd

Peter Walsh, Director ESG Market Strategy and Partnerships, Benchmark Digital Partners

Andrea Athanas, Vice President, Enterprise and Investment, African Wildlife Foundation

Thomas Thomas, CEO, ASEAN CSR Network Ltd

Mark Jones, Head of Policy, Born Free Foundation

Eva Zabey, CEO, Business for Nature

Raelanie Loyola, Business Development and Membership Manager, Business for Sustainable Development Inc.

Martin Lok, Executive Director, Capitals Coalition

Nicolette Bartlett, Chief Impact Officer, CDP

Shuaifan Qi, Manager, International Liaison Department, China Business Council for Sustainable Development

Emily Hickson, Director, Business & Investors, Climate Catalyst

Steve Andrews, CEO, Earthwatch Europe

David Álvarez, CEO, Ecoacsa

Tanya Bascombe, General Manager, European Outdoor Conservation Association

Fongoh Eric, General Coordinator, International centre for Environmental Education and Community Development

Michael Guindon, Executive Director, International Platform for Insetting

Patricia Savin, CEO, ORÉE

Giacomo Zolezzi, COO, Perú Sostenible

Marzena Strzelczak, President & General Director, Responsible Business Forum in Poland

Halla Tómasdóttir, CEO, The B Team

Noor Yafai, Europe Director Global Policy and Institutional Partnerships, The Nature Conservancy

Margaret O'Gorman, President, Wildlife Habitat Council

Paul Holthus, Founding President and CEO, World Ocean Council

Ester Asin, Director, WWF European Policy Office